

## Assembly Bill No. 2714

### CHAPTER 299

An act to add Section 401.16 to the Revenue and Taxation Code, relating to taxation.

[Approved by Governor August 28, 2002. Filed with  
Secretary of State August 28, 2002.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 2714, Aanestad. Property taxation: valuation.

Existing law requires that all property that is subject to property taxation be taxed at its full value. Existing law requires the State Board of Equalization to issue to county property tax assessors data that, in the judgment of the board, will promote uniformity in appraisal practices and assessed values throughout the state.

This bill would require county assessors, who depreciate the taxable value of tangible personal property or trade fixtures by the use of percent good factors that include a minimum percent good, to determine the minimum percent good factors in a supportable manner. The bill would also prohibit county assessors who depreciate this property using percent good factors published by the State Board of Equalization that provide separate factors for property that is first acquired new and property that is first acquired used, from averaging the published factors to apply these factors to both classes of new and used property, unless information reported by a taxpayer does not indicate whether the property was first acquired new or used.

*The people of the State of California do enact as follows:*

SECTION 1. Section 401.16 is added to the Revenue and Taxation Code, to read:

401.16. If, for purposes of property taxation, the county assessor utilizes the reproduction or replacement cost approach to value to determine the value of tangible personal property or trade fixtures, both of the following apply:

(a) (1) If the county assessor depreciates this property using percent good factors published by the State Board of Equalization that provide separate factors for property that is first acquired new and property that is first acquired used, the assessor may not average the published factors to apply these factors to both classes of new and used property.

(2) Notwithstanding paragraph (1), if information reported by a taxpayer does not indicate whether this property was first acquired by the taxpayer new or used, the assessor may average the published factors.

(b) If the county assessor depreciates this property using percent good factors that include a minimum percent good, the minimum percent good factors shall be determined in a manner that is supportable.

